

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 NEA-10 COME-00 L-03 CIAE-00

INR-10 NSAE-00 SS-15 SP-02 NSC-05 TRSE-00 OMB-01

AGRE-00 JUSE-00 PA-01 ICA-11 /079 W

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8566

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E.O. 11652: N/A

TAGS: ETRD, UK

SUBJECT: ARAB BOYCOTT: ANTI-BOYCOTT REPORTING

REGULATIONS

REF: LONDON 11823

1. DEPARTMENT OF TRADE HAS NOW INFORMED US REPRESENTATIVES WILL BE DAVID WISEMAN OF COMMERCIAL RELATIONS AND EXPORT DIVISION AND MISS NUALA O'FLYNN OF SOLICITORS DEPARTMENT. THEY THINK ONE DAY WILL BE ENOUGH AND SUGGEST THURSDAY AUGUST 3, FRIDAY AUGUST 4 OR MONDAY AUGUST 7. IF NONE OF THESE DATES SHOULD BE SUITABLE, THEY REQUEST YOU SUGGEST A DATE LATER IN THE MONTH, PREFERABLY A FRIDAY OR MONDAY.

2. AS TO AGENDA, DOT SAYS NATURE OF CONCERNS ABOUT REGULATIONS HAS BEEN MADE CLEAR TO DOC. BRITISH EMBASSY'S AIDE MEMOIRE OF JULY 11, 1977 AND NOTES VERBALE OF AUGUST 25 AND NOVEMBER 18, 1977, AND JANUARY 27, 1978 ARE CITED. PURPOSE OF TALKS NOW CONTEMPLATED WOULD BE TO ENSURE THAT THEY HAVE THOROUGH UNDERSTANDING OF HOW REGULATIONS WILL WORK, PARTICULARLY REPORTING REGULATIONS. SPECIFIC AREAS THEY WOULD LIKE TO COVER INCLUDE:

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-- A. THE DEFINITION OF US PERSONS TO WHICH THE REGULATIONS APPLY ESPECIALLY IN THEIR APPLICATION TO A UNITED STATES PERSON LOCATED OUTSIDE THE UNITED STATES, AND THE INTERPRETATION OF THE TERM "CONTROLLED IN FACT";  
-- B. THE TRANSACTIONS AND ACTIVITIES TO WHICH THE REGULATIONS APPLY, INCLUDING THE DEFINITION OF "A TRANSACTION OR ACTIVITY IN THE INTER-STATE OR FOREIGN

COMMERCE OF THE UNITED STATES";  
-- C. THE SURVEYS TO BE CARRIED OUT FROM TIME TO TIME  
BY THE DEPARTMENT OF COMMERCE, REFERRED TO IN SECTION  
369.6 PARAGRAPH (7) OF THE REPORTING REQUIREMENTS;  
-- D. THE DEGREE OF DISCRETION POSSESSED BY THE  
DEPARTMENT OF COMMERCE OR OTHER US AUTHORITIES IN THE  
INTERPRETATION AND PRACTICAL OPERATION OF THESE REGULA-  
TIONS;  
-- E. THE MEASURES PROPOSED FOR ENFORCEMENT AND THE  
PROBABLE ATTITUDE OF THE US COURTS TO THE ACTIVITIES OF  
OVERSEAS COMPANIES IN RELATION TO THIS LAW.

3. SECRETARY OF STATE FOR TRADE MADE FOLLOWING WRITTEN  
STATEMENT TO COMMONS JULY 26 IN RESPONSE TO ARRANGED  
PARLIAMENTARY QUESTION: "I ASSUME THAT MY HON. FRIEND  
IS REFERRING TO THE RECENT AMENDMENTS TO THE US EXPORT  
ADMINISTRATION ACT. THE REGULATIONS IMPLEMENTING THESE  
AMENDMENTS CLAIM TO APPLY TO CERTAIN ACTIVITIES OF THOSE  
COMPANIES INCORPORATED IN THE UK WHICH ARE CONTROLLED BY  
A COMPANY INCORPORATED IN THE USA, EVEN IF THESE ACTIVI-  
TIES TAKE PLACE OUTSIDE THE UNITED STATES. THE GOVERN-  
MENT ARE CONCERNED AT THIS EXTRATERRITORIAL ASPECT OF  
THE US REGULATIONS, WHICH IN THEIR VIEW INFRINGE THE  
JURISDICTION OF THE UK AND COULD HAVE AN ADVERSE EFFECT  
ON UK TRADE AND EMPLOYMENT. OUR POSITION HAS BEEN MADE  
CLEAR TO THE US GOVERNMENT, AND MY DEPARTMENT IS  
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DISCUSSING WITH UNITED STATES REPRESENTATIVES HOW TO  
MITIGATE THE EFFECTS OF THESE REGULATIONS ON UK COM-  
PANIES. ANY UK COMPANY WHICH BELIEVES THAT IT MAY BE  
AFFECTED BY THESE REGULATIONS, SHOULD THEREFORE CONTACT  
MY DEPARTMENT AS SOON AS POSSIBLE."

4. THE FINANCIAL TIMES REPORTED THE STATEMENT TODAY,  
ADDING THE COMMENT THAT "THE DEPARTMENT OF TRADE HAS  
ITSELF FREQUENTLY DEPLORED THE ARAB BOYCOTT AND SAYS IT  
HAS NO OBJECTIONS TO AMERICAN LEGISLATION. HOWEVER, IT  
DID OBJECT TO U.S. JUSTICE DEPARTMENT STICKING ITS NOSE  
INTO OUR AFFAIRES".

BREWSTER

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ARABS, BOYCOTTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1978LONDON11916  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
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**Reference:** 78 LONDON 11823  
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**Review Event:**  
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**Review Release Event:** n/a  
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**Subject:** ARAB BOYCOTT: ANTI-BOYCOTT REPORTING REGULATIONS  
**TAGS:** ETRD, UK  
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**Type:** TE  
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**Review Markings:**  
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